

Message Text

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12

ACTION NEA-12

INFO OCT-01 EUR-25 EA-11 ISO-00 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03

SS-20 USIA-15 ACDA-19 IO-14 AID-20 EB-11 CIEP-02

TRSE-00 STR-08 OMB-01 CEA-02 COME-00 FRB-02 XMB-07

OPIC-12 LAB-06 SIL-01 INT-08 SCEM-02 AF-10 DRC-01

/252 W

----- 075219

R 081128Z DEC 73

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC 8248

INFO AMEMBASSY ABU DHABI

AMEMBASSY BEIRUT

AMEMBASSY BONN

AMEMBASSY JIDDA

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY TEHRAN

AMEMBASSY TOKYO

USMISSION OCED PARIS

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DEPT PASS TREASURY

E.O. 11652: N/A

TAGS: EFIN KU

SUBJ: EAL: GOK FINANCIAL POLICY

REF: A) KUWAIT 4204; B) KUWAIT 4090

1. LOCAL PRESS DEC 8 HIGHLIGHTED REPORTS FROM EUROPE THAT RUMORS
ARAB WITHDRAWAL BANK DEPOSITS IN WESTERN BANKS LED TO PANIC IN
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WESTERN MONEY MARKETS. PRESS NOTED INITIAL LOSSES LARGELY

RECOVERED DURING RALLY LATE THURSDAY AND FRIDAY.

2. AS DEPARTMENT AWARE FROM REFTELS INFO AVAILABLE TO US INDICATES GOK NOT RPT NOT INTERESTED IN TAMPERING WITH INTERNATIONAL MONEY MARKETS FOR POLITICAL PURPOSES. REMARKS OF MINISTRY FINANCE AND OIL OFFICIALS AND OTHER EVIDENCE INDICATES GOK PURSUING FINANCIAL AND INVESTMENT POLICIES IN USUAL MANNER.

3. THIS CONFIRMED IN LAST FEW DAYS DURING VISIT BY SENATE FOREIGN RELATIONS COMMITTEE CONSULTANT TILLMAN WITH ABD AL-LATIF AL-HAMAD AND OTHER SENIOR OFFICERS KUWAIT INVESTMENT COMPANY. AL-HAMAD STRESSED BUSINESS-AS-USUAL MANNER IN WHICH GOK PURSUING FINANCIAL AND INVESTMENT POLICIES. HE DID NOTE ARAB DESIRE EVENTUALLY APPLY FINANCIAL WEALTH TO ARAB DEVELOPMENT PROJECTS, AND DESIRE STRENGTHEN ARAB ECONOMIC/FINANCIAL INSTITUTIONS. AL-HAMAD ALSO REITERATED POINT OTHERS HAVE MADE THAT GOK SEEKING LONG TERM INVESTMENTS AS IT NOT ONLY IS DISCOURAGED OVER INSTABILITY WORLD MONETARY SITUATION BUT ALSO BECOMING INCREASINGLY PESSIMISTIC THAT MEANINGFUL MONETARY REFORM LIKELY OVER NEXT DECADE.

4. COMMENT: IN PRESENT HIGHLY CHARGED ATMOSPHERE BELIEVE IT WELL TO DISTINGUISH BETWEEN LONG TERM ARAB ECONOMIC AND SHORT TERM POLITICAL POLICIES. AS FAR AS WE CAN TELL FROM HERE, KUWAITIS DO NOT RPT NOT INTEND USE FINANCIAL RESOURCES FOR PURPOSES ECONOMIC WARFARE.
STOLTZFUS

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN RELATIONS, FOREIGN INVESTMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 08 DEC 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: hilburpw
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973KUWAIT04259
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: KUWAIT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731236/aaaabagp.tel
Line Count: 87
Locator: TEXT ON-LINE
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: A) KUWAIT 4204; B) KUWAIT 4090
Review Action: RELEASED, APPROVED
Review Authority: hilburpw
Review Comment: n/a
Review Content Flags:
Review Date: 01 OCT 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <01-Oct-2001 by hilburpw>; APPROVED <01-Oct-2001 by hilburpw>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EAL: GOK FINANCIAL POLICY
TAGS: EFIN, KU, US
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005